
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.01.2009

Wall Street Journal: "A Tweak to Bailout Deal Makes Bank Stock Pricier ... A tweak by the Treasury Department to its contracts with banks could cost taxpayers billions of dollars if the government exercises its right to purchase common stock in the firms."

Wall Street Journal: "Preventing 'Too Big to Fail' Isn't Easy ... Stronger regulation alone won't prevent firms from becoming so large that their failure threatens the financial system, current and former Federal Reserve officials said Tuesday."

Wall Street Journal: "Move to Ease 'Mark' Rule May Subvert Treasury Plan ... A new accounting rule set to be approved this week will relax mark-to-market rules for banks sitting on billions of dollars in toxic assets, making it more attractive to keep the assets on their books. Yet those changes may undermine a larger U.S. Treasury plan to rid the banks of those same assets, bankers and accounting experts say."

Wall Street Journal: "Congress Seeks Independent Reports on AIG ... Members of Congress have asked federal authorities for confidential reports prepared by a lawyer charged with monitoring American International Group Inc.'s business practices over the past four years, according to people familiar with the matter."

Wall Street Journal: "Fannie, Freddie Are Pressured as Homeowners Fall Behind ... The rapid rise in the number of borrowers skipping their mortgage payments is putting renewed pressure on the financial reserves of Fannie Mae and Freddie Mac."

Wall Street Journal, Editorial: "Treasury's Very Private Asset Fund ... The Obama Administration insists it wants to "partner" with private investors for its new toxic-asset purchase plan. But the more details that emerge, the more it seems Treasury wants to work with only a select few companies. This is no way to conduct a bank clean-up."

Wall Street Journal, Editorial: "GM Bankruptcy? Tell Me Another ... President Obama rightly says "sacrifices" must be made if GM is to emerge as a viable company. But there's one sacrifice he won't make: his re-election chances, by leaving the fate of the UAW truly up to a bankruptcy judge."

Financial Times: "SEC to enlist help on fraud ... Mary Schapiro, the new chairman of the US Securities and Exchange Commission, is looking at addressing the agency's limited resources by enlisting more private sector help to uncover fraud."

Financial Times: "‘Tarp cop’ launches probes into bail-out fraud ... US authorities have launched more than a dozen criminal investigations into possible fraud involving bank bail-out funds, the special inspector-general for the troubled assets relief programme told Congress on Tuesday."

New York Times: "Four Small Banks Are the First to Pay Back TARP Funds ... Four small banks became the first to return millions of dollars of emergency aid, and more may soon follow as the industry tries to escape what it considers the onerous conditions attached to the government's money."

New York Times, Thomas Friedman : "The Price Is Not Right ... It's obvious that the reason we're experiencing meltdowns in both the financial system and the climate system is because we have been mispricing risk in both arenas."

Washington Post: "Four Banks Are First to Return U.S. Aid ... Four regional banks from around the country yesterday became the first firms to repay emergency aid from the government, but the show of strength also underscored concerns about the health of a key element of the federal economic recovery program."

Washington Post, Nicolas Sarkozy: "Priority 1: World Growth ... Tomorrow, for the second time in only five months, the leaders of the world's top 20 economies will meet to seek a joint response to the unprecedented global economic crisis. Since this crisis began, I have argued that when we are faced by a challenge of this magnitude, cooperation is a necessity, not an option."

USA Today: "New GM CEO Fritz Henderson says he's open to bankruptcy ... General Motors CEO Frederick "Fritz" Henderson said Tuesday that GM will do whatever it takes to meet the government's restructuring goals, even if it means a Chapter 11 bankruptcy filing."

Los Angeles Times: "U.S. home prices show record drop in January ... U.S. home prices continued to fall at a record pace in January, according to a leading national index released Tuesday."

Los Angeles Times: "Auditors seek halt to AIG bailout ... The Treasury Department should deny American International Group Inc. \$30 billion in bailout funds until the company agrees to take back millions in bonuses and negotiate cheaper exits from its financial contracts, congressional auditors said Tuesday."

Politico: "A sneak attack on the U.S. dollar? ... The war began with a press release. Dated May 13, 2010, it came from the Central Bank of the Russian Federation and said the Russian government "hereby announces the following facilities and processes which are in place and available for counterparty inquiry immediately."

The Hill: "Geithner's cash begins to run out ... Doubters from Wall Street to K Street think Treasury Secretary Timothy Geithner is overestimating what's left in the \$700 billion piggy bank Congress created to bail out the financial sector."

National Review, Op-Ed: "Overcompensation ... Now that we - I'm talking to you, Barney "Fannie Mae" Frank and Chris

"Hinky Dink" Dodd - have all had our little fit of high moral dudgeon over the shameful AIG bonuses and outrageous executive compensation, we seem well and truly on the way toward punishing people for the crime of making money. It's about time! Watching Commissar Frank shout at hapless business executives fills us with a sense of pride and shared outrage and we thank Gaia that the good people of Brookline and Newton, Mass., keep re-electing him."